

WHEREAS, the Commission has been informed by HSBC that the balance in the HSBC Account as of July 30, 2013 was HKD 2,716,112.19 (approximately USD 350,154.36);

WHEREAS, on November 24, 2010, the Court entered a default judgment against Madisa, ordering that Madisa pay the Commission disgorgement of \$500,608.00, plus prejudgment interest of \$18,047.30 (the "Default Judgment");

WHEREAS, Madisa has not paid any of the Default Judgment;

WHEREAS, Madisa neither admits nor denies the allegations of the complaint in this case;

WHEREAS, the parties wish to fully and finally resolve any and all claims that were brought by the Commission against Madisa in this litigation through payment of all funds in the HSBC Account, not exceeding \$518,655.30, to the Commission (via payment to the Clerk of the United States District Court for the Southern District of New York);

WHEREAS, Madisa hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Madisa to defend against this action;

WHEREAS, the Commission and Madisa agree that this Stipulation and Order may be executed in multiple counterparts, any of which may be transmitted by facsimile

or electronic mail, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument;

WHEREAS, each person executing this Stipulation and Order in a representative capacity represents and warrants that he is empowered to do so; and

WHEREAS, Madisa and the Commission represent that they have agreed to the terms of this Stipulation and Proposed Order voluntarily and that no threats, offers, promises, or inducements of any kind have been made to induce that agreement,

IT IS HEREBY ORDERED THAT:

1. Within fourteen (14) days after the Court's entry of this Order, Madisa shall execute and deliver to the Commission and HSBC Bank the attached irrevocable Letter of Directions ("Letter of Directions"), which, among other things, directs HSBC Bank to "immediately release and wire transfer all funds, not exceeding USD 518,655.30, in [the HSBC Account]" to the Clerk of the United States District Court for the Southern District of New York, thereby irrevocably directing payment of all of the funds in the HSBC Account to an interest-bearing account with the Court Registry Investment System or another interest-bearing account that is utilized by the Court.

2. Madisa shall deliver the executed Letter of Directions to the Commission and HSBC Bank at the following addresses:

Hong Kong and Shanghai Banking Corp. Ltd.
Level 37, HSBC Main Building
1 Queen's Road Central, Hong Kong
Attn: Derek C M Ng, Associate General Counsel

Securities and Exchange Commission
3 World Financial Center
New York, New York 10281-1022
Attn: Jack Kaufman, Esq.

3. Within fourteen (14) days of Madisa's proper execution and delivery of the Letter of Directions, as set forth above, the Commission shall file a satisfaction of judgment as to the Default Judgment with the Southern District of New York. Upon the filing of that satisfaction of judgment, the Asset Freeze shall be automatically modified such that the HSBC Account shall no longer be subject to the Asset Freeze.

4. The executed Letter of Directions shall be irrevocable, and any attempt by Madisa to revoke the Letter of Directions shall be a violation of this Order and shall result in the Court's immediate reinstitution of the Default Judgment, at the Commission's request.

5. In addition, the Commission shall be entitled to reinstitute the Default Judgment in the event that, for any reason, HSBC Bank fails to comply with or otherwise honor the Letter of Directions.


6. This Court has jurisdiction over this matter for the purpose of enforcing the terms of this Stipulation and Order.

Dated: Katherine Christodoulatos
George M. Chalos, Esq.
Katherine N. Christodoulatos, Esq.
Chalos & Co., P.C.
55 Hamilton Avenue
Oyster Bay, New York 11771
(516) 714-4300
Counsel for Madisa (China) Limited

Dated: Jack Kaufman
Jack Kaufman, Esq.
Securities and Exchange Commission
3 World Financial Center
New York, New York 10281
(212) 336-0106
Counsel for Securities and Exchange Commission

SO ORDERED:

Dated: Oct. 11, 2013

Paul G. Gardephe
Hon. Paul G. Gardephe
United States District Judge 

Hong Kong and Shanghai Banking Corp. Ltd.
Level 37, HSBC Main Building
1 Queen's Road Central, Hong Kong

Attn: Derek C M Ng, Associate General Counsel

LETTER OF DIRECTIONS

Re: Transfer of Funds from HSBC (Hong Kong) Account Number 534617295838

To the Authorized Authority or Authorities at HSBC:

As a signatory and an authorized account holder for account number 534617295838 at Hong Kong and Shanghai Banking Corp. Ltd. ("HSBC (Hong Kong)"), maintained by and/or for Madisa (China) Limited ("Madisa"), we hereby direct HSBC (Hong Kong), its officers, employees and agents to immediately release and wire transfer all funds, not exceeding USD 518,655.30, in account number 534617295838 at HSBC (Hong Kong) to an account with the Court Registry Investment System maintained by the U.S. District Court for the Southern District of New York in New York, New York, United States of America. That wire transfer should include a reference to the case caption "Securities and Exchange Commission v. Rockford Funding Group, et al., 09 Civ. 10047 (PGG) (S.D.N.Y.)," and identify Madisa as a relief defendant in that action. The wiring instructions for that wire transfer are as follows:

Wiring Instructions to Receiving Bank:

<i>Bank Name:</i>	Federal Reserve Bank of New York
<i>Address:</i>	33 Liberty Street, New York, New York 10038 USA
<i>SWIFT No.:</i>	FRNYUS33
<i>ABA Routing No.:</i>	021030004
<i>Agency Location Code:</i>	00004654
<i>Account Holder:</i>	U.S. District Court for the Southern District of New York
<i>Account Information:</i>	U.S. District Court for the Southern District of New York, CRIS Account, Reference ID "Securities and Exchange Commission v. Rockford Funding Group, et al., 09 Civ. 10047 (PGG) (S.D.N.Y.)."

We also hereby direct HSBC (Hong Kong), its officers, employees and agents to liquidate and/or convert to U.S. dollars any securities or other assets denominated in currencies other than U.S. dollars in order to make the above wire transfer. We voluntarily, irrevocably, and without reservation direct HSBC (Hong Kong) to make the above wire transfer. The above shall be irrevocable authority for doing so.

Respectfully submitted,

Madisa (China) Limited

By:

Position:

Sworn to and subscribed before me this ____ day of _____, 20__.

Notary Public

My Commission expires: